

RULE

Department of Health and Hospitals Office of the Secretary

Annual Service Agreement

The Louisiana Health Care Authority and the Department of Health and Hospitals, Office of the Secretary, hereby adopt the following rule in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The purpose of this rule is to assure continuing coverage of the operations of the hospitals under the jurisdiction of the Louisiana Health Care Authority by the completion of an annual service agreement required by Act 390 of 1991.

Annual Service Agreement

Introduction

This Service Agreement for State Fiscal Year 1995-96 is entered into by the Department of Health and Hospitals (DHH) and the Louisiana Health Care Authority (LHCA) in compliance with R.S. 46:701 et seq., as amended and reenacted by Act 390 of 1991.

I. Definitions

A. *Medically Indigent*—any bona fide resident of the state of Louisiana whose family unit size and gross income is less than or equal to 200 percent of the Federal Poverty Income Guidelines for that size family unit, rounded up to the nearest thousand dollars.

B. *Overcollections*—any monies from Medicare, Medicaid or other third party payor, or from direct patient payments, collected by or on behalf of the medical centers operated by the LHCA in excess of the amounts budgeted in the General Appropriations Bill for FY 1995-96, as enacted, for operating expenses, as certified by the commissioner of administration and the Joint Legislative Committee on the Budget.

C. *Licensed Beds*—the number of beds in each medical center licensed by the Bureau of Health Services Financing and certified for participation in the Medicaid and Medicare programs.

II. General Agreement

The Department of Health and Hospitals is authorized by law to provide health and medical services for the uninsured and medically indigent citizens of Louisiana directly, through the operation of health care facilities, or indirectly by agreement with the Louisiana Health Care Authority.

The LHCA agrees to provide inpatient and outpatient hospital services on behalf of the Department of Health and Hospitals. The LHCA acknowledges that the provision of services to the medically indigent, to the uninsured and to others with problems of access to health care is its highest priority.

DHH agrees to work cooperatively with the authority to provide acute mental health services at authority facilities.

III. Provision of Adequate Health Care Services

In accordance with the intent of Act 390 of 1991, the Louisiana Health Care Authority will strive to provide health services of sufficient quality and volume to meet the needs of the uninsured and medically indigent citizens of Louisiana. The LHCA and DHH agree that for FY 1995-96, adequate services shall be considered to consist of the following:

A. Those major services that are available at the medical centers on June 30, 1995 to any bona fide resident and taxpayer of the state of Louisiana determined to be uninsured, underinsured, or medically indigent and that are funded in the General Appropriation bill for FY 1995-96, provided that such appropriated funds are made available to the medical centers.

B. Adequate service provision shall also require that the medical centers maintain policies of access to services governed by the following:

1. The medically indigent or uninsured shall be afforded first priority for admission for any form of treatment available at the particular medical center.

2. Those persons who are determined not to be medically indigent or uninsured shall be admitted on a space available basis and shall be reasonably charged for treatment or service received.

3. Emergency treatment shall not be denied to anyone.

IV. Elimination or Relocation of Services

A. The LHCA shall notify the secretary of DHH at least 60 days in advance of any elimination or relocation to another medical center of any major programs or services, or establishment of Centers of Excellence that require shifting of major services provided on the date of this agreement.

B. DHH shall notify the chief executive officer of LHCA at least 60 days in advance of any elimination or relocation of its psychiatric units or other DHH programs or services provided in the LHCA Medical Centers.

C. The LHCA agrees not to construct, operate or fund a health care facility, or substantial portion thereof, which primarily treats insured patients other than those covered by Medicare and Medicaid.

V. Service Improvement and Development

A. The LHCA recognizes the need to improve and expand services in the medical centers in order to more fully meet the health care needs of the uninsured and medically indigent citizens of Louisiana. The authority will work to improve access to care, placing highest priority on the following:

1. reduced waiting times for all outpatient services for which there exist medically inappropriate delays in scheduling appointments;
2. improved access to emergency services;
3. improved access to prenatal and HIV clinics.

B. LHCA shall not develop new programs or major program expansions in the areas of public health, substance abuse, mental health, or mental retardation without the concurrence of DHH.

C. In accordance with recognized primary care needs, as identified by state and federal criteria, the DHH Primary Care Access Plan, the State Rural Health Care Plan, the LHCA Strategic Plan and other mutually agreed upon priorities, DHH and LHCA will work together to meet those needs. This shall be accomplished by a joint DHH/LHCA Planning Task Force.

VI. Financing Arrangements

A. DHH agrees not to adjust interim Medicaid payment rates, target rates, disproportionate share formulas, or to amend the Medicaid State Plan as it relates to inpatient and outpatient hospital services, without timely notice to the LHCA CEO.

B. LHCA agrees not to submit any Budget Adjustment (BA-7) request to DOA which increase the expenditure authority of its facilities without prior notice to the secretary of DHH.

C. DHH agrees not to submit any BA-7's to DOA where the means of financing would reflect use of unbudgeted overcollections from the LHCA without prior notice to the LHCA chief executive officer.

D. DHH and LHCA agree that prior to the March meeting of the Joint Legislative Committee on the Budget a meeting will be held to determine the amount of funds to be transferred from the Louisiana Health Care Authority to the Department of Health and Hospitals, as required by law.

E. LHCA agrees to adhere to DHH Policy No. 4600-77 (DHH Liability Limitation Policy), with regard to the liability for payment for services by those inpatients who are classified as self pay, until such time as a revised policy may be promulgated by the authority through the Administrative Procedure Act.

F. LHCA is to provide a 90-day notice if they intend to cancel any operational service agreement with DHH facilities that could adversely affect the LHCA facilities budget .

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VII. Annual Revision of Service Agreement

DHH and the LHCA agree to revise this service agreement on an annual basis, as required by law, and to promulgate the agreement through the Administrative Procedure Act. The draft annual agreement shall be published in the *Louisiana Register* each year, in order for significant changes to be considered in the budget process for the ensuing fiscal year.

Bobby P. Jindal
Secretary
Health and Hospitals

Carey Doherty
Acting Chief Executive Officer
Health Care Authority